

Minutes of the Veneta City Council

November 24, 2008

Present: Mayor T. J. Brooker, Thomas Cotter, Darrell Carman, Sharon Hobart-Hardin and Marion Esty

Others: Brian Issa, Community Services Director; Jerri Moore, Finance Director; Sheryl Hackett, City Recorder; Kyle Schauer, Public Works Superintendent; Darci Henneman, Assistant City Recorder; Jerry Elliott, City Engineer and Scott Sanders

Mayor Brooker called the Veneta City Council to order at 7:00 p.m.

1. PUBLIC COMMENT

Scott Sanders, 88029 Ninth St., Veneta, OR

Mr. Sanders said that Traci Huffman of Siuslaw Bank spoke at the last City Council meeting. He thanked the Council for giving Siuslaw Bank the opportunity to do business with the City and asked the Councilors if they had any questions or concerns.

2. CONSENT AGENDA

MOTION: Sharon Hobart-Hardin made a motion to approve the consent agenda as presented. Thomas Cotter seconded the motion.

Vote: Thomas Cotter, aye; Marion Esty, aye; Mayor Brooker, aye; Darrell Carman, aye; and Sharon Hobart-Hardin, aye.

The consent agenda as approved included Minutes for November 10, 2008, Bills Paid and Payable for November 2008 and the Civic Calendar for December, 2008.

3. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

- (1) Law Enforcement Activities Report.
Sgt. Harrold was not able to attend tonight's meeting.

b. COUNCIL/COMMITTEE LIAISONS

Marion Esty said the library foundation met last week. She said they are thrilled about the support from the community for the library bond passing and the "Donate a Shelf" program.

Sharon Hobart-Hardin said the Parks Board had at a booth at the Christmas Bazaar held at Veneta Elementary. She said the Fern Ridge-Opoly game and the Wings & Wine Festival calendars received a positive response from the community, however, sales were slow. She said the Christmas Bazaar was an excellent opportunity for the Parks Board to get out in the public. She also said they received a positive response on the pool initiative.

4. STAFF REPORTS

a. CITY ENGINEER.....JERRY ELLIOTT

- (1) Pre-Design Proposal for Well 12.
Jerry Elliott prepared a proposal for installing equipment in Well 12. The proposal provides a design program, schedule and fee for the preparation of contract documents suitable for bidding and construction of the necessary well equipment and operation facilities. He said the design will include selecting a pump, motor and pitless adaptor which all will be comparable with the flow and service

conditions of the well. The design will include a site plan for connection of piping from Well 12 to a connection with an existing well raw water line network and into the treatment facility. He said after discussions with Kyle Schauer this line will connect to the existing raw water line from Well 9. He said this connection may present some operational issues later due to high velocities but the objective of this project is to get Well 12 into production. He said operational issues can be resolved in future budget cycles. He said his firm will design control conduit routes, electrical services, conductors and integrate the design components into the City's SCADA system. He said DRB Engineering will design the control panel, electrical feed and provide circuits and plans for integration into the existing instrumentation and SCADA communications for Well 12. He said based on discussions the power source will likely be from the existing pump house with a 480 volt feed. He said existing records and site plan drawings from the public works yard will be used as the base drawing.

Jerry said the design will also include provision and/or fittings to allow for addition of a chlorine contact chamber. He said the contact chamber will not be included in the design at this time. Jerry said chlorination facilities are proposed to be included in a pole barn addition near the pilot well. He said their proposal does not provide for these structural additions to the storage area. He said design documents will be forwarded to the City and the Oregon Health Division for review and approval. He said the proposal assumes the City will pay plan review fees and upon completion of the design, the City Engineer will prepare an engineer's construction cost estimate.

Jerry highlighted the technical report suggesting the maximum output of the well is 270 gallons per minute (gpm). City staff agreed they don't want to push the well that hard so they will size it to pump 225 gpm. He said sensors have been installed in the previous four City wells. They will not install the sensor this year but plan for installation next year to keep costs down. Jerry Elliott presented their proposal at \$20,844.

In response to questions from Sharon Hobart-Hardin, Jerry said John Cunningham's report suggested Well 12 would connect to Well 4 and Jerry's report referred to Well 12 connecting to Well 9. He said the final decision to connect Well 12 to Well 9 was made because there are some advantages to piping Well 12 directly to the treatment facility as well as adding future additions. He said the Well 4 line may be too small and is a further distance from Well 12.

Jerry said there may be operational issues due to high velocities and that is one of the reasons to lower the output from 275 gpm to 225 gpm. He said the water travels up Hunter Road to the plant which allows the iron molecules to bind. He said there is a concern that adding water (thereby increasing the velocity) may break the iron molecules up and disburse them throughout the water which will make it more difficult to filter the iron out of the water.

Jerry said the water was tested by a certified laboratory which said the iron content in Well 12 is far below the standard criteria for iron levels. He said why spend \$70,000 to install a chlorine line that we may never need.

Sharon Hobart-Hardin said she is concerned that the cost of installing the line in the future may be too exorbitant to be done later rather than now. Jerry said we can't predict what future costs will be but it's very realistic that we could go five to 10 years without having to address the treatment levels. He thinks it's worthwhile to put the bare piping in and take the chance the chlorine line will not be needed

for some time.

Kyle said the water quality in Well 12 is higher than Well 4. He said there's a good chance we won't need to worry about installing the \$70,000 chlorine line.

In response to questions from Mayor Brooker, Jerry said the velocity levels increase with a good flow from Well 9 and Well 12. He said when those two flows come together in the same pipe, shear and turbulent are created in the pipe which in turn creates a higher velocity. Jerry said we don't know if the iron molecules will break up. Jerry said the velocity is a stand alone issue. He said the reason for decreasing the volume from 275 gpm to 225 gpm is after two or three days there is a substantial draw down to the well. He said if it goes harder and faster than it can handle it takes longer to recover and possibly may not recover. He said we would need to obtain a water right volume permit based on 275 gpm but we probably would never draw that high of a volume. He suggested setting Well 12 at 225 gpm which can be sustained daily.

Mayor Brooker also expressed concern that the cost of installing the chlorine line will increase if it is put off until a future time. He said hopefully this won't be an issue since the stability of Well 4 hasn't changed in 20 years.

In response to questions from Thomas Cotter, Jerry said the cost of the water right volume permits are the same regardless of the volume of water the well produces. Jerry said he's not sure if Well 4 and Well 12 are drawing from the same aquifer.

Jerry Elliott said currently the City has four operational wells. He said Well 12 will make it five.

Kyle said the pump size is based on the volume of water pulled from the well. He said if Well 12 is over pumped, it could affect the production of Well 4 but if we keep it at a consistent flow, there should be no negative effect on future projections for either wells.

In response to a question from Sharon Hobart-Hardin, Jerry said if the Council approves the pre-design proposal tonight he sees no reason for Well 12 to not meet the April, 2009 timeline.

MOTION: Thomas Cotter made a motion to approve the Pre-design Proposal for Well 12 from Jerry Elliott. Darrell Carmen seconded the motion which passed with a vote of 5-0.

- b. FINANCE DIRECTOR..... JERRI MOORE
(1) **Resolution No. 985 - A RESOLUTION AUTHORIZING BORROWING FUNDS TO FINANCE THE PURCHASE OF REAL PROPERTY**

Jerri said Resolution 985 is required in order to borrow funds to finance the purchase of real property. She said at the end of fiscal year 2008, the Council approved an inter-fund loan from the Capital Construction Fund to the Inverse Condemnation Fund to pay the settlement for the Larson property. She said Resolution 985 will allow the City to borrow funds to replace the money that was borrowed from the Capital Construction Fund. She said two local banks submitted bids. She said Siuslaw Bank's proposal offered a better interest rate and more flexibility in the pre-payment penalty clause. She said we have reason to anticipate selling

some of the property and paying off a portion of the loan early which will reduce the debt substantially.

MOTION: Sharon Hobart-Hardin made a motion to approve Resolution No. 985. Thomas Cotter seconded the motion, which passed with a vote of 5-0.

(2) Software Selection Committee

Jerri Moore said the Request for Proposal (RFP) for Municipal Financial Software was published in the Oregonian and the Daily Journal of Commerce on November 17, 2008. She said the RFP will close on December 5, 2008. Jerri said eight proposals have been received so far. She said staff would like to form a committee to review the proposals; the committee thus far will include Ric, Brian, herself, Steve Tuchscherer, the City Auditor, and Jody Cline from LCOG. Jerri asked the Council if anyone was interested in joining the committee. Jerri said the week of December 15 to 19th seems to offer the best available time either evenings or days.

Mayor Brooker said he would like to be on the review committee. He had reviewed the proposal and would like to understand what this package will do for us. He asked Jerri to provide the meeting schedule.

c. CITY RECORDER..... SHERYL HACKETT

(1) Proclamation Declaring Election of Candidates

Sheryl said as the City Elections Officer, she has been directed to review the votes returned by Lane County Elections Division and issue a proclamation declaring the election results. Sharon Hobart-Hardin is the new Mayor Elect with 741 votes. Sheryl said the two write-in Council members are Sandra Larson with 100 votes and Marion Esty with 16 votes.

(2) Proclamation Declaring Passage of Measure 20-140

Sheryl said the swimming pool general bond authorized by Measure 20-140 passed with 1127 yes votes and 684 no votes.

(3) **Ordinance No. 485** AN ORDINANCE ADOPTING CITY PARK RULES AND REPEALING ORDINANCE 443 AND SECTION 12 OF ORDINANCE 448. First reading by title only.

Sheryl apologized for not providing a memo to accompany Ordinance No. 485. She said the City's current park rules only provide park hours. She said staff developed a new park ordinance which repeals the two old ordinances and adds a few new regulations such as no glass containers or tobacco use in certain areas of the City Parks and a new clause for excluding someone from a park. She said the deputies requested this language be included in the park rules. Sheryl said this is a fairly common clause. She said City employees can also evict someone from a City park if they see activity that violates the rules. The exclusion clause includes a right to appeal. Sheryl noted a typographical error in the repealing clause. She said staff is requesting the Council to approve Ordinance No. 485 for the first reading by title only.

In response to a question from Sharon Hobart-Hardin if the exclusion provision would be difficult to enforce, Sheryl said the deputies requested the exclusion clause be added to the park rules. She said once a person is evicted/excluded from the park, their name and exclusion time period will be entered into the LCSO computer. She said there are a few particular people who do not use the parks for its intended purpose and at times are disruptive and sit on the walls smoking cigarettes. She said the deputies on occasion will close the park due to vandalism and graffiti. She said the deputies feel it's a positive action for the kids who are there to skate.

Mayor Brooker said some parents will not allow their children to go to the skate park because of the negative behavior of those individuals sitting on the wall. He said if an individual is evicted/excluded from a park and they frequent the park prior to their exclusion time period expiring, the deputies can issue a citation for trespassing which carries a greater fine.

Brian said most of these people have already developed a history with the deputies and are habitual violators.

In response to questions from Darrell Carmen regarding a felony being committed at the skate park, Sheryl said an individual being evicted/excluded from the skate park can appeal the action. She said however, while the appeal is pending the violator would not be allowed in the park. She said even if the one year exclusion time period has expired and the appeal is still pending, another exclusion notice could be issued for the same offense as long as the original offense is still pending under the same judicial proceeding.

In response to a question from Thomas Cotter, Kyle said City parks do not have outdoor lighting because all City parks close at dusk.

MOTION: Thomas cotter made a motion to approve the Ordinance No. 485 for first reading by title only. Sharon Hobart-Hardin seconded the motion which passed with a vote of 5-0.

Ordinance No. 485 was read into the record by title only.

d. COMMUNITY SERVICES DIRECTOR.....BRIAN ISSA
(1) Water Utility Rate Analysis

Brian said in 2007 the City contracted with Oregon Association of Water Utilities (OAWU) to conduct a water rate study to determine if the City is charging appropriate rates to consumers for producing and distributing water. The City's water utility is operated as an enterprise fund in which the cost of producing and distributing water should be fully recovered through user fees. These costs include personnel, materials and services, and contracted services necessary to cover the day-to-day operation and maintenance of the system. Currently the city has roughly 1600 water accounts, over 90% of which are residential.

The resulting OAWU report delivered in June 2008 concluded that our current rates are inadequate and that severe increases were needed. The report recommends an increase to the residential base rate from \$8 to

\$15.45 by 2014, combined with a substantial increase in the volume rate from \$1.85 to over \$3 per 1000 gallons. The magnitude of the problem as described by the consultants did not coincide with staff's understanding of the current budget reality so we began the task of more clearly determining the magnitude of the problem and the steps necessary to ensure that the water fund continues to operate without a deficit. The root of the discrepancy was in the expenditure numbers used to create the budget scenarios. Based on numbers given to OAWU by City staff, a total annual water budget of \$850,000 was used. Upon closer examination, much of this amount is related to capital projects which are not regularly occurring costs and are at least partially paid for by other revenue streams. Removing these capital costs reduces the overall expenditures from the water fund. It was also clear that a more detailed examination of consumption data was necessary in order to understand the ways water is being used, and illuminate potential conservation strategies.

The initial difficulty in analyzing budget figures was compounded by the City's outdated software. It is currently very difficult to retrieve information from the system in a usable format. Simple analysis regarding average usage by user type, month, etc. is currently only obtainable after intensive manipulation of the data including manual deletion of erroneous billings, correction, and leaks which would skew the results. The process of extracting data for this report underscored the need for new software if the City is to reevaluate its usage profile, system leakage, and billing rates on a regular basis.

The OAWU water rate study recommended substantial increases in water rates. Brian said the recommendations were so substantial staff needed to review the OAWU report.

Brian reviewed his entire report including the graphs he provided. He asked the Council if they had any questions or comments.

Sharon Hobart-Hardin agreed the City needs to get into a conservation mode but it will only be effective with extensive public education which is expensive. She is concerned that staff does not have the time to create and implement a water conservation program nor do we have the funds to hire an outside entity to do the work. She also said there should be a way to reduce expenditures in lieu of increasing revenues. She said the software should have been updated long ago. She said the new software should have a focus on this so the reports can be pulled out quickly and monitored more accurately. She said we should be using state of the art technology as a communication tool but not necessarily with water billing. She said a conservation program/billing program should be implemented on the City website. She also said we should have a yearly program update to review and possibly replace hardware as we expand our capabilities.

Darrell Carman suggested the software could be incorporated into the website so residents could get their billing information and make payments on line. He said residents may be more conscious of their water use if they can track it themselves.

In response to a question from Darrell Carman, Brian said the wastewater plan indicates a large amount of water usage but we don't know where it's

going to. He said the usage is consistent back to 2005 and at times is upwards of 400,000 gallons of water a month during one summer. Mayor Brooker said water reclamation should also be addressed.

Brian said a water conservation program is needed and would be an ideal program for a rare intern but it would be expensive to bring an intern in. Brian said a conservation plan is in effect but we haven't budgeted for activities.

In response to a question from Sharon Hobart-Hardin, Jerri said the staff salary allocation percentages could be changed and those changes may help the water fund but it would mean other funds will be subsidizing water operations. That is not beneficial and could eventually make water that much more expensive.

Jerri said the software update will enable staff to retrieve specific data easily and create reports. This has been a challenging task with our current program.

Sharon Hobart-Hardin said she had a difficult time rationalizing a \$5 per month increase for the 65 businesses in the community. She said we need to help these small businesses and encourage them to stay in our community to reduce the turnover in any way we can. She said she would support residential subsidizing in lieu of a large commercial increase.

Mayor Brooker agreed with Sharon Hobart-Hardin and said there are many issues that require further discussions.

Sharon Hobart-Hardin thanked Brian for his thorough report. She also thanked Sheryl for the historical information she provided.

Mayor Brooker also thanked Brian for his report. He said even though we paid a good price for the water rate analysis done by OAWU, Brian's analysis has brought us closer to understanding our system. He said he is looking forward to the sewer rate analysis.

In response to a question from Sharon Hobart-Hardin, Jerri said a Resolution is being drafted and is near completion.

- e. CITY ADMINISTRATOR RIC INGHAM
(1) Approval of 2008-2009 Rural Tourism Agreement
Thomas Cotter said as directed by the City Council, he and Sharon Hobart-Hardin met with staff to develop a recommendation for this year's Rural Tourism Marketing Program allocation. The proposed allocation is as follows: regional advertising - \$2,341; Fern Ridge Wings & Wine event sponsorship - \$1,000; Contractor cost for Wings & Wine event registration and information requests - \$2,000; and contractor assistance to secure sponsorship, grants and provide event coordination for Wings & Wine - \$1,000. He said no formal agreement has been reached but it is the desire of staff and the Council that the Fern Ridge Chamber of Commerce be awarded the contract for registration and coordination of the Wings & Wine event. Staff is requesting the Council approve the proposed allocations and authorize Mayor Brooker to sign the agreement for submittal to Lane County.

MOTION: Darrell Carman made a motion to authorize Mayor Brooker to sign the 2008-2009 Rural Tourism Agreement. Sharon Hobart-Hardin seconded the motion which passed with a vote of 5-0.

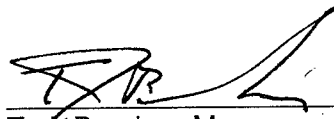
5. OTHER

Sheryl Hackett said the Election Proclamations will be corrected to show the abstracts were received from Lane County on November 21, 2008. She will fix the dates before the Proclamations are posted on the bulletin board and on the website.

Brian informed the Council that the City Attorney received a Notice of Intent to Appeal Veneta's new tree codes. He said he's not sure on what grounds the appeal is based. Updates will follow.


6. ADJOURN

Mayor Brooker adjourned the City Council at 9:16 p.m.



T. J. Brooker, Mayor

ATTEST:



Darci Henneman, Assistant City Recorder
(Minutes prepared by Dhenneman)